

# **MICHIGAN DEPARTMENT OF TRANSPORTATION**

## **LOCAL PUBLIC TRANSIT REVENUE AND EXPENSE MANUAL**

**with Nonfinancial Operating Data  
Definitions**

**PASSENGER TRANSPORTATION DIVISION  
BUREAU OF URBAN AND PUBLIC TRANSPORTATION**

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## **ACRONYMS**

Act 51	Act 51 of the Public Acts of 1951, as amended
CTF	Comprehensive Transportation Fund
OAR	Operating Assistance Report submitted on the PTMS
PTMS	Public Transportation Management System
PTD	Passenger Transportation Division
FSL	Federal Contract with State Match and/or Local Match
LH	Line-Haul (acronym used on the PTMS)
DR	Demand-Response (acronym used on the PTMS)
FTA	Federal Transit Administration

## **Purpose of Manual & Reporting Requirements**

This Manual should be used to report Local Bus Operating revenues and expenses on an OAR. Budget, quarterly, and annual OARs are required to be submitted through PTMS. Budgets are due on February 1<sup>st</sup> of each year. Annual OARs are due 40 days after the end of the state's fiscal year and must be based on that year (i.e. October 1<sup>st</sup> through September 30<sup>th</sup>). Quarterly OARs are due 40 days after the end of each quarter.

## **BASIC GUIDELINES**

Local Bus Operating expenses are eligible for reimbursement if they are:

- ☛ incurred for public transportation purposes;
- ☛ reasonable and necessary for proper and efficient operations;
- ☛ categorized according to this Manual;
- ☛ supported by source documentation;
- ☛ in accordance with generally accepted accounting principles and, if required, a PTD approved cost allocation plan;
- ☛ NOT funded or to be funded under another CTF program;
- ☛ net of all applicable credits.

## **State Chart of Accounts**

The PTMS code numbers used in this Manual are not those used in the State Chart of Accounts, nor are they intended to replace the State Chart of Accounts.

## Revenue

Revenue is defined as all income generated as a result of providing public transit service. Please note that:

- retained earnings used to cover an operating deficit is not revenue in that year. Retained earnings is money earned and reported in prior years and should not be reported again when used.
- reimbursements, credits, and refunds are not revenues. Items such as 506xx insurance reimbursements and 50401 fuel and lubricant tax refunds are contra expenses and should be deducted against the *current year's* appropriate expense code.
- monies received for prior year's expenses (e.g., the last Section 5311 payment) are not revenue in the current year and should not be reported on the current year's OAR.

Note: The last Section 5311 payment received after October 31<sup>st</sup> should have been reported as revenue on the prior year's OAR.

### Farebox Revenue

**40100 Passenger Fares.** Fees charged for passenger trips: (1) all monies put in the farebox, (2) the cash equivalent of bus passes and transfers, (3) revenue earned from "Park and Ride" lots, and (4) School Tripper Service which is open to the general public. Closed door school service cannot be provided.

**40200 Contract Fares.** Contractual fees paid for by an organization (rather than by the passenger). This service must be available to the general public ("open door").

**40400 Package Delivery/"Meals on Wheels."** Package delivery must be incidental to providing public transportation services. Revenues equal to expenses associated with package delivery are not eligible and should be backed out under 55008 Other Ineligible Expenses. However, expenses incurred delivering Meals on Wheels are eligible for reimbursement.

**40500 Charter Service** is a vehicle hired for exclusive use that does not operate on a regular route, on a regular schedule, and is not available to the general public ("closed door"). The transit agency shall not engage in charter service except on an incidental basis as defined by the federal charter regulations, 49 CFR Part 604. If incidental charter is provided, there must be a PTD approved cost allocation plan. Expenses associated with charter service are not eligible and should be backed out under 55015 Ineligible Charter Expense.

Note: If charter service is provided, then 630 Charter Service Hours and 631 Charter Service Miles must be reported on the nonfinancial portion of the OAR.

## Auxiliary Transportation Revenue

Auxiliary Transportation Revenue is revenue earned from operations closely associated with providing public transit service.

**40610 Concessions** are revenues earned from operating or granting rights to concessionaires to operate newsstands, candy counters, vending machines, etc. on transit agency property. If the transit agency rents space to a third party concessionaire, a PTD approved cost allocation plan may be necessary. Expenses associated with concessions are not eligible and should be backed out under 55010 Other Ineligible Expenses Associated with Auxiliary and Nontransportation Revenue.

**40615 Advertising** is revenue earned from displaying advertising materials on transit agency vehicles and property. Expenses associated with equipping vehicles with advertising signs, including labor, are not eligible and should be backed out under 56002 Ineligible Expenses Associated with Advertising Fees.

**40620 Intercity Ticket Sales** is revenue earned from the sale of intercity bus tickets (e.g., Greyhound, Indian Trails). If the transit agency employee has joint job responsibilities between intercity and public transportation, all of the employee's time is an eligible expense under 50102 Other Salaries and Wages; however, expenses that equate to revenue earned are not eligible and should be backed out under 56003 Ineligible Expenses Associated with Intercity Ticket Sales.

**40699 Other Auxiliary Transportation Revenues** are revenues earned from auxiliary operations other than those specified in 40610 through 40620. Explain what these revenues are in the PTMS comment field. Ineligible expenses associated with these revenues should be backed out under 55010 Other Ineligible Expenses Associated with Auxiliary and Nontransportation Revenue.

## Nontransportation Revenue

Nontransportation Revenue is revenue earned from activities not directly associated with providing public transit service.

**40710 Sale of Maintenance Services** is revenue earned from providing maintenance services on vehicles, equipment, and facilities not owned or used by the transit agency.

A PTD approved cost allocation plan is required. Expenses are not eligible and should be backed out under 56001 Ineligible Expenses Associated with Sale of Maintenance Service.

**40715 Rental of Revenue Vehicles** is revenue earned from renting transit agency revenue vehicles to other transit agencies or organizations providing public transportation. A PTD approved cost allocation plan is required. Expenses are not eligible and should be backed out under 56004 Ineligible Expenses Associated with Rentals.

**40720 Rental of Buildings or Other Property** is revenue earned from renting transit agency buildings and property, including equipment and vehicles (other than 40715 revenue vehicles) to other transit agencies or organizations providing public transportation. A PTD approved cost allocation plan is required. Expenses are not eligible and should be backed out under 56004 Ineligible Expenses Associated with Rentals.

**40725 Parking Lot Revenue** is revenue earned from parking fees other than at “Park and Ride” locations which is reported under 40100 Passenger Fares for Transit Service. A PTD approved cost allocation plan is required. Expenses are not eligible and should be backed out under 56004 Ineligible Expenses Associated with Rentals.

**40799 Other Nontransportation Revenue** are revenues earned from nontransportation activities other than those listed in 40710 through 40725. A PTD approved cost allocation plan may be required. Please explain what these revenues are in the PTMS comment field. Expenses are not eligible and should be backed out under 55010 Other Ineligible Expenses Associated with Auxiliary and Nontransportation Revenue.

### Local Revenue

**40800 Taxes Levied Directly for/by Transit Agency.** Taxes collected directly for transit (e.g., millage).

**40910 Local General Operating Assistance.** Operating funds received from local governmental units other than taxes levied in 40800 (e.g., general fund).

**40920 Single Business Tax** is revenue received from the taxing authority, a local municipality, or county government which covers millage collection shortfalls.

**40999 Other Local Contracts and Reimbursements.** Please explain these revenues in the PTMS comment field. Depending upon the local contract, expenses incurred or revenue received under the contract may not be eligible and should be backed out under 55005, Ineligible Local Contracts.

### State Contracts

**41101 Local Bus Operating** is state operating assistance received pursuant to Act 51 and departmental policy. Funds are distributed statewide on the basis of total eligible operating expenses as determined by this Manual.

**41199 Other State Contracts and Reimbursements.** Please explain in the PTMS comment field. Depending upon the contractual language, either the expenses incurred or the revenue received under the contract may not be eligible and should be backed out under 55004 Other Ineligible State CTF Contracts.

### Federal Contracts

**41301 Section 5311** is federal operating assistance received in nonurbanized areas. Do not report Section 5311 capital in this code. Capital is reported separately.

**41302 Section 5307** is federal operating assistance received in urbanized areas. Do not report Section 5307 capital in this code. Capital is reported separately.

**41398 RTAP.** Rural Transportation Assistance Program provides funds to assist in training, technical assistance, research, and other support services for nonurbanized transit agencies. RTAP expenses reimbursed by this program are not eligible and should be backed out under 57402 Ineligible RTAP.

**41399 Other Federal Contracts and Reimbursements.** Please explain in the PTMS comment field. Depending upon the contractual language, either the expenses incurred or the revenue received under the contract may not be eligible and should be backed out under 55003 Other Ineligible Federal Contracts.

## **Federal Contract with State Match and/or Local Match (FSL)**

**41511 Preventive Maintenance (FSL)** is revenue received under a capital contract to pay for maintenance expenses. Maintenance expenses paid by a capital contract are not eligible and should be backed out under 55011 Ineligible Preventive Maintenance (FSL).

**41512 Capital Cost of Contracting (FSL)** is revenue received under a capital contract to pay for the capital consumed when the transit agency, through competitive procurement, contracts with an outside party to provide public transportation. The capital consumed is the contractor's depreciation and interest costs related to the equipment or facilities used to provide public transportation under the contract. Operating expenses paid by a capital contract are not eligible and should be backed out under 57602 Ineligible Capital Cost of Contracting (FSL).

**41513 Capital Contract Reimbursement for Administrative Expenses (FSL)** is revenue received under a capital contract to pay for administrative expenses associated with that contract. The administrative expenses reimbursed under the contract are not eligible and should be backed out under 57603 Ineligible Administrative Expense Paid by Capital Contract.

**41514 Other Capital Contract Reimbursement for Operating Expenses (FSL)** is revenue received under a capital contract to pay for operating expenses. Please explain in the PTMS comment field. Expenses reimbursed under the contract are not eligible and should be backed out under 57604 Other Ineligible Operating Expense Paid by Capital Contract.

**41599 Other FSL.** Please explain in the PTMS comment field (e.g., planning contracts). Depending upon the contractual language, either the expenses incurred or the revenue received under the contract may not be eligible and should be backed out under 57099 Other Ineligible FSL.

## **Other Revenue**

**41400 Interest Income** is interest earned during the fiscal year except for interest earned on funds received from capital projects.

Note: Interest earned on capital funds must be credited to the specific capital project.



**43000 Contributed Services** is the cash equivalent of donated service(s) from another where: (1) the service benefits the transit operations, and (2) the transit agency would need to purchase the service if it were not donated. A PTD approved cost allocation plan is required.

## EXPENSES

Be sure to classify expenses by function: Operations, Maintenance, or General Administration.

*Operations* expenses are incurred when transporting passengers, such as:

- drivers' wages and benefits.
- supervising dispatchers, drivers, schedulers.
- dispatching, radio monitoring.
- oil, gas, tires.
- insurance for revenue vehicles.

*Maintenance* expenses are incurred when maintaining transit assets, such as:

- mechanics' wages and benefits.
- supervising mechanics.
- maintenance and repair of transit assets.
- shop tools and supplies.

*General Administration* expenses are incurred in office functions, such as:

- bookkeepers' and data processors' wages and benefits.
- supervising office personnel.
- counting fares.
- financial activities (e.g., auditing, purchasing, marketing).
- insurance except for insurance on revenue vehicles.

### Labor

Labor is compensation due employees in exchange for services.

**50101 Operators' Salaries and Wages.** Compensation paid to employees classified as bus drivers. *Operations*

**50102 Other Salaries and Wages.** Compensation paid to employees not classified as bus drivers or dispatchers. Compensation under 50102 should be reported under the appropriate function:

- supervision of dispatchers, drivers, schedulers. *Operations*

- maintenance personnel and supervision of maintenance personnel. *Maintenance*
- office personnel and supervision of office personnel. *General Administration*

If a transit agency has an operations supervisor, then the operation supervisor's total salary should be reported in 50102 Other Salaries and Wages. *Operations* If the transit manager directly supervises all employees, then the manager's salary may be allocated between the Operations, Maintenance, and General Administration functions. No PTD approved cost allocation plan is necessary if the transit manager's time is based on actual time records. However, if the transit manager's time is allocated based on a methodology (e.g., labor hours, number of employees per function), then a PTD approved cost allocation plan is required.

Transit board members receiving more than \$100 per year in compensation (excluding mileage reimbursement) must be treated as employees. Expenses paid to transit board members should not exceed the standard practice for local political bodies in the service area. Social Security tax (FICA), Medicare, and state unemployment tax must be calculated, withheld, and paid on their earnings. The earnings are exempt from Federal Unemployment Tax (FUTA). *General Administration*

Note: Expenses billed to the transit agency by members of a political subdivision (e.g., city councils, county commissions, township mayor, etc.) are not eligible and should be backed out under 55008 Other Ineligible Expenses. *General Administration*

**50103 Dispatchers' Salaries and Wages.** Compensation paid to employees classified as dispatchers. *Operations*

## Fringe Benefits

Fringe benefits are payments made or due by the transit agency on the employees' behalf. These are costs over and above "labor" that arise from the employment relationship.

**50201 Pensions.** Payments or accruals to pension funds made by the employer on the employees' behalf under the terms of a pension plan. Expenses should be classified as either *Operations*, *Maintenance*, or *General Administration* based upon the 501xx Salaries and Wages classification. Pension costs are eligible provided they are:

- calculated using an actuarial cost-based method recognized by generally accepted accounting principles. A transit agency may pay more than the amount determined, but only the actuarially determined amount is eligible for reimbursement.
- reasonable and necessary.

- actually paid within six months after the end of the fiscal year. "Paid" means an actual out-of-pocket expense for the transit agency. Actuarial gains used to offset pension expense are not considered "paid." Costs paid six months after the end of the fiscal year are eligible in the year paid.
- on the behalf of vested employees (or the money stays in the pension fund if the employee leaves before becoming vested).

A lump sum payment necessary to buy into a pension plan for prior years of service and the annual installments are eligible expenses as long as the above criteria are met (e.g., Municipal Employee Retirement System).

Pension expense not meeting the above criteria is not eligible and should be backed out under 58007 Ineligible Pension Expense.

**50200 Other Fringe Benefits.** Expenses should be classified as either *Operations*, *Maintenance*, or *General Administration* based upon the 501xx Salaries and Wages classification.

- personal retirement plans (e.g., 401(k), cafeteria plans).
- Social Security tax (FICA) and Medicare.
- dental, hospital, medical, and surgical plans.
- life and disability insurance plans.
- unemployment insurance. Self unemployment insurance is eligible with prior approval of PTD.
- worker's compensation insurance & Federal Employees' Liability Act Contribution.
- uniform and work clothing allowances.
- authorized absences from the job if established by a written leave policy (e.g., sick leave, vacation time, holidays, jury duty). Accrual of leave time is eligible based on the lesser of the amount accrued or funded.
- merit based pay bonuses approved by the transit agency's board.

## Services

Service is labor or other work provided by outside organizations or individuals for fees and related expenses.

**50302 Advertising Fees.** All advertising and marketing expenses. *General Administration*

**50305 Audit Cost.** Expenses incurred for an annual CPA audit. Audit costs are not eligible for Section 5311 reimbursement unless the transit agency is required to have or is included in a Single Audit. Audit costs are eligible for reimbursement under the Local Bus Operating Program. *General Administration*

**50399 Other Services.**

- professional & technical services (e.g., accountants, computer service, doctors, management and transit industry consultants, security services, engineering firms, attorneys). These services generally require specialized technical knowledge and are performed under the supervision of the outside organization rather than transit agency personnel. Depending upon the service, the function classification could be *Operations, Maintenance, or General Administration*. Please explain in the PTMS comment field.
- services provided on a temporary basis by persons who are not transit employees. Depending upon the service, the function classification could be *Operations, Maintenance, or General Administration*. Please explain in the PTMS comment field.
- contributed (“in-kind”) services are eligible if the services received are: (1) supported by actual documentation based on a PTD approved cost allocation plan, and (2) require specialized skills that is provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet the established criteria are not eligible and the dollar amount associated with the service should be backed out under 55008 Other Ineligible Expenses. Depending upon the service, the function classification could be *Operations, Maintenance, or General Administration*. Please explain in the PTMS comment field.
- contractual maintenance services provided by an outside organization. *Maintenance*
- media advertising for employee vacancies. *General Administration*

<b>Materials and Supplies</b>
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Materials and Supplies used from inventory or purchased for immediate consumption.

**50401 Fuel and Lubricants** include the cost and tax of gasoline, diesel fuel, propane, compressed natural gas, lubricating oil, transmission fluid, grease, etc., for use in vehicles and equipment. *Operations*

Note: Public entities are exempt from paying gasoline tax. Private entities that provide public transportation are not exempt from paying gasoline tax, but may apply for a gasoline tax refund. **REFUNDS MUST BE DEDUCTED AGAINST THE CURRENT YEAR'S EXPENSE.**

**50402 Tires and Tubes.** *Operations*

**50404 Major Supplies** include big ticket items that cost less than \$5,000 (e.g., computers, software, office furniture). Depending upon what was purchased, the function classification could be *Operations*, *Maintenance*, or *General Administration*. Please explain in the PTMS comment field.

**50499 Other Materials and Supplies.**

- bus parts. *Operations*
- shop tools, shop supplies, miscellaneous hardware. *Maintenance*
- office, copier, computer supplies. *General Administration*

**Utilities**

**50500 Utilities.**

Payments made to utility companies (e.g., telephone, electric, gas, water, sewer, etc.).  
*General Administration*

**Insurance**

**50603 Liability Insurance.** The type, extent, and cost of coverage must be in accordance with laws, governmental policy, and sound business practices. These may include:

- insurance premium payments provided the payments are necessary to maintain reasonable insurance protection. *Operations*
- losses due to acts which the transit agency: (1) is liable for, (2) is not covered by insurance, but (3) has proper insurance coverage. Payments made in the current fiscal year are eligible even though the liability was incurred in a prior reporting period. If the transit agency is not properly insured, the losses are not eligible and should be backed out under 55008 Other Ineligible Expenses.  
*Operations*

- self insurance if approved by PTD.

Note: To be eligible for reimbursement, the transit agency must obtain a written statement by an independent certified public accountant as to the reasonableness of: (1) the annual payments paid into the fund, and (2) the overall fund balance. *Operations*

**50699 Other Insurance** includes all expenses except those reported under 50603 Liability Insurance (e.g., fidelity bonds, business records, errors and omissions, etc). *General Administration*

Note: Approximately ninety (90) percent of the transit agency's total insurance cost is reported under 50603 Liability Insurance *Operations* and ten (10) percent is reported under 50699 Other Insurance. *General Administration* If reported insurance expense varies from this standard, please explain in the PTMS comment field why less than 90% of insurance is reported under 50603 Liability Insurance and why more than 10% of insurance is reported under 50699 Other Insurance.

Expenses NOT included in 506xx Insurance are:

- in-house repair of damaged property (report this under 501 labor, 502 fringe benefits, and 504 materials & supplies, or possibly 503 services).
- property damaged beyond repair (report this under 513 depreciation).
- wage and fringe expenses of employees who process insurance claims for and against the transit agency (report this under 501 labor and 502 fringe benefits).

**INSURANCE REFUNDS MUST BE DEDUCTED AGAINST THE CURRENT YEAR'S EXPENSE.**

## Taxes and Fees

**50700 Taxes and Fees.** Taxes levied against the transit agency by federal, state, or local governments (e.g., property tax). *General Administration* Fees include such things as commercial drivers' license, vehicle licensing, and registration fees. *Operations*

Please note taxes **not** included in this code are: (1) payroll withholding taxes, (2) sales and excise taxes on purchased materials and services (these are included in the base price of the material or service), and (3) fuel and lubricants taxes (which are included in 50401 Fuel and Lubricants).

## Purchased Transportation Service

**50800 Purchased Transportation Service.** Payment or accrual for transportation service provided by a third party operator. There must be a legal contract between the transit agency and the third party operator for the purpose of providing public transit services. *Operations*

## Miscellaneous Expenses

**50902 Travel, Meetings, and Training.** Expenses include attendance fees, food, lodging, and travel. Depending upon the training, the function classification could be *Operations, Maintenance, or General Administration*. For example:

- Accounting Training. *General Administration*
- Maintenance Seminar. *Maintenance*
- Annual Meeting. *General Administration*
- Small Bus Rodeo. The function classification depends upon who attends the Rodeo. If a driver attends, the expense is classified as *Operations*. If a transit manager attends, the expense is classified as *General Administration*.
- transportation organization meetings (e.g., Michigan Public Transit Association, MASSTrans, and American Public Transit Association). *General Administration*

### **50903 Association Dues and Subscriptions.**

- fees for membership in transportation organizations. If the transportation organization incurs lobbying expenses, a percentage of dues paid will not be eligible and should be backed out under 55009 Ineligible Percent of Association Dues. The ineligible percentage is calculated annually based on the organization's total costs related to its lobbying costs. *General Administration*
- subscriptions to transportation publications. *General Administration*

**50907 Lobbying** expense incurred by the transit agency. All expenses associated with lobbying are not eligible and should be backed out under 58005 Ineligible Lobbying Expense. Lobbying is defined as any direct contact with a public official, whether face to face, by telephone, letter, electronic media, or any other means, the purpose of which is to influence the official's legislative or administrative actions. *General Administration*



Note: Expenses incurred conducting a millage election are eligible provided the information concerning the election is factual and neutral. *General Administration* Expenses are not eligible if they are influential in nature, and should be backed out under 58005 Ineligible Lobbying Expense.

**50999 Other Miscellaneous Expenses.** Please explain in the PTMS comment field. If the miscellaneous expenses are not in accordance with the basic guidelines of this Manual, then those expenses should be backed out under 55008 Other Ineligible Expenses. Depending upon the expense, the function classification could be *Operations, Maintenance, or General Administration*.

### Interest Expense

**51101 Interest on Long-Term Debt.** Interest incurred on money borrowed for more than one year is not eligible and should be backed out under 55006 Other Ineligible Interest Expense. *General Administration*

Note: Interest on construction debt and lease-purchase agreements must be capitalized.

**51102 Interest on Short-Term Debt.** Interest incurred on money borrowed for less than one year. This interest expense is not eligible to the extent of interest earned under 41400 Interest Income and should be backed out under 55006 Other Ineligible Interest Expense. *General Administration*

**51103 Interest on State Advances.** Interest charged on advances of 41101 Local Bus Operating is not eligible and should be backed out under 58002 Ineligible Interest on State Advances. *General Administration*

### Leases and Rentals

**51200 Leases and Rentals.** These expenses are eligible provided: (1) the rent schedule or lease agreement has prior approval of PTD, and (2) the expense is supported by either a billing from a private entity or a cost allocation plan from a public entity. Lease and rental expenses are not eligible if the transit agency is purchasing the asset through a lease-purchase agreement. Expenses not meeting this criteria are not eligible and should be backed out under 55008 Other Ineligible Expenses. Depending upon the type of lease or rental equipment, the function classification could be *Operations, Maintenance, or General Administration*.

Note: With a lease-purchase agreement, the asset must be capitalized and then depreciated.

## Depreciation

**51300 Depreciation** expense reflects an asset's loss in service value.

An asset worth over \$5,000 with a useful life greater than one year must be capitalized and depreciated over its useful life. The depreciation associated with an asset purchased with federal and/or state funds and required local match is not eligible and should be backed out under 55007 Ineligible Depreciation. If an asset is purchased with local funds, the depreciation expense is eligible if: (1) the asset is reasonable and necessary, and (2) PTD approves the useful life of the asset; otherwise, the expense is not eligible and should be backed out under 55007 Ineligible Depreciation. Depending upon the asset being depreciated, the function classification could be *Operations, Maintenance, or General Administration*.

Bus rehabilitation contracts are executed with the goal of extending the life of the vehicle an additional 2 years or 100,000 miles. Bus rehabilitation contracts usually require the transit agency to pay a local match. All expenses *paid* under the contract (state and local match) are not eligible for reimbursement, and therefore must be: (1) capitalized, (2) depreciated under this code, and (3) backed out as ineligible under 55007 Ineligible Depreciation.

Please note: Local costs *in excess* of the contract amount (therefore, *not* required under the contract) may be eligible for reimbursement if: (1) the related local costs are reasonable and necessary, and (2) PTD approves the useful life of the item being depreciated; otherwise, the expense is not eligible and should be backed out under 55007 Ineligible Depreciation.

## INELIGIBLE EXPENSES

Ineligible expenses include expenses that are:

- not reimbursable according to this Manual.
- paid under a different CTF program.
- associated with certain revenues.

### Ineligible Depreciation and Ineligible Charter

**55007 Ineligible Depreciation** include assets purchased with:

- federal and/or state funds and/or local match.
- local funds where the useful life of the asset was not approved by PTD or the asset is not reasonable and necessary.
- bus rehabilitation contracts and related local costs in excess of the contract amount not approved by PTD.

Ineligible depreciation expense should be classified as either *Operations*, *Maintenance*, or *General Administration* based upon the 51300 Depreciation classification.

**55015 Ineligible Charter Expense.** Expenses associated with 40500 Charter Service. *Operations*

### Ineligible Expenses Associated with Auxiliary and Nontransportation Revenue

**56001 Ineligible Expenses Associated with the Sale of Maintenance Service.** Expenses associated with revenue 40710 Sale of Maintenance Services. *Maintenance*

**56002 Ineligible Expenses Associated with Advertising Fees.** Expenses associated with revenue 40615 Advertising. *General Administration*

**56003 Ineligible Expenses Associated with Intercity Ticket Sales.** Expenses that equate to revenue earned under 40620 Intercity Ticket Sales. *General Administration*

**56004 Ineligible Expenses Associated with Rentals.** Expenses associated with revenue 40715 Rental of Revenue Vehicles, 40720 Rental of Buildings or Other Property, and 40725 Parking Lot Revenue. Ineligible rental expenses could be classified as either *Operations*, *Maintenance*, or *General Administration* based upon the type of property rented.

**55010 Other Ineligible Expenses Associated with Auxiliary and Nontransportation Revenue.** Expenses associated with 40699 Other Auxiliary Transportation Revenues and 40799 Other Nontransportation Revenues. Depending upon the expense, the function classification could be *Operations*, *Maintenance*, or *General Administration*. Please explain in the PTMS comment field

### Ineligible Local Contracts

**55005 Ineligible Local Contracts.** Ineligibles associated with 40999 Other Local Contracts and Reimbursements. Additional explanation may be provided in the PTMS comment field. Depending upon the contract and/or the expense, the function classification could be *Operations*, *Maintenance*, or *General Administration*.

### Ineligible State Contracts

**55004 Other Ineligible State CTF Contracts.** This code is only to be used if the expenses incurred for each CTF contract is ten (10) percent or less than the transit agency's total eligible expenses for Local Bus Operating. If the expenses incurred under each contract are greater than ten (10) percent of the transit agency's total eligible expenses for Local Bus Operating, then the contract expenses may not be included in this report. The purpose of this code is to simplify bookkeeping when the dollar amount of a CTF operating contract is small in comparison with the Local Bus Operating Program. This code allows the transit agency to report the contract expenses in codes 50101 through 51300 and then back the contract expenses out under this code. This code does not eliminate the transit agency's responsibility to report contract expenses as required in the contract.

Please identify the CTF contract in the PTMS comment field. **Do not** report any revenue received under these programs in 41199 Other State Contracts and Reimbursements. Unless the contract states otherwise, all expenses associated with the contract are ineligible under this code. Therefore, any local match required by the contract and all costs in excess of the contract are not eligible and should be backed out under this code. These CTF programs are:

- **Ride Share** which coordinates carpools and vanpools as an alternative to single occupant vehicles. There is also a federal Ride Share Program. Expenses associated with a federal Ride Share Program are not eligible and should be backed out under 55003 Other Ineligible Federal Contracts. *Operations, Maintenance, or General Administration.*
- **Regional Transportation** which facilitates regional travel crossing one or more county lines into areas outside of current service areas. When the Regional Transportation contract expires, the continuing expenses of the program are eligible for reimbursement. PTD approved cost allocation plan is required. *Operations, Maintenance, or General Administration.*
- **Specialized Services** which provides service primarily to persons with disabilities and the elderly. PTD approved cost allocation plan is required. *Operations, Maintenance, or General Administration.*
- **Project Zero** which concentrates on families without earned income. The program funds one hundred (100) percent of program expenses approved in a local area's Project Zero Plan. All program expenses funded by the state (fifty (50) percent CTF funds and fifty (50) percent other state agencies) are not eligible for reimbursement and should be backed out under this code. PTD approved cost allocation plan is required. *Operations, Maintenance, or General Administration.*
- **Job Access and Reverse Commute** which connects welfare recipients and other low income persons to jobs and other employment related services. Because of the small dollar amount associated with this program, it is classified under 55004 Other Ineligible State Contracts even though it includes fifty (50) percent federal funds. PTD approved cost allocation plan is required. *Operations, Maintenance, or General Administration.*
- **Transportation to Work** which provides funding for transportation plans developed, submitted, and approved by the Michigan Department of Career Development. PTD approved cost allocation plan is required. *Operations, Maintenance, or General Administration.*

**If the transit agency receives CTF contracts (except for Ride Share) and Local Bus Operating, a cost allocation plan must be submitted to PTD for approval.**

### **Ineligible Federal Contracts**

**57402 Ineligible RTAP.** Expenses reimbursed under revenue 41398 RTAP. Depending upon the type of expense reimbursed, the function classification could be *Operations, Maintenance, or General Administration.*

**55003 Other Ineligible Federal Contracts.** Expenses associated with 41399 Other Federal Contracts and Reimbursements. Additional explanation may be provided in the PTMS comment field. Depending upon the contract and/or the expense, the function classification could be *Operations, Maintenance, or General Administration*.

#### **Ineligible Federal Contract with State Match and/or Local Match**

**55011 Ineligible Preventive Maintenance (FSL).** Expenses reimbursed under revenue 41511 Preventive Maintenance (FSL). *Maintenance*

**57602 Ineligible Capital Cost of Contracting (FSL).** Expenses reimbursed under revenue 41512 Capital Cost of Contracting (FSL). Depending upon the contract and/or the expense, the function classification could be *Operations, Maintenance, or General Administration*.

**57603 Ineligible Administrative Expense Paid by Capital Contract (FSL).** Expenses reimbursed under revenue 41513 Other Capital Contract Reimbursement for Administrative Expenses (FSL). *General Administration*

**57604 Other Ineligible Operating Expense Paid by Capital Contract (FSL).** Expenses reimbursed under revenue 41514 Other Capital Contract Reimbursement for Operating Expenses (FSL). *Operations*

**57099 Other Ineligible FSL.** Ineligibles associated with 41599 Other FSL. Additional explanation may be provided in the PTMS comment field. Depending upon the contract and/or the expense, the function classification could be *Operations, Maintenance, or General Administration*.

**Note: Local match required by a contract is necessary for fulfillment of that contract, and therefore, is ineligible along with the federal grant and state match.**

#### **Ineligible Miscellaneous Expenses**

**58002 Ineligible Interest on State Advances.** Interest charged on advances of revenue 41101 Local Bus Operating. *General Administration*

**55006 Other Ineligible Interest Expense** includes: (1) interest paid under 51101 Interest on Long-Term Debt, and (2) 51102 interest expense that equates to 41400 Interest Income. *General Administration*

**55009 Ineligible Percent of Association Dues.** See 50903 Association Dues and Subscriptions. *General Administration*

**58005 Ineligible Lobbying Expense.** See 50907 Lobbying. *General Administration*

**58007 Ineligible Pension Expense.** See 50201 Pension. Ineligible expenses should be classified as either *Operations*, *Maintenance*, or *General Administration* based upon the 501<sub>xx</sub> Salaries and Wages classification.

**55008 Other Ineligible Expenses** include:

- entertainment expenses and other social activities.
- charitable donations.
- fines and penalties.
- bad debt expense.
- expenses that do not comply with this Manual.

Depending upon the expense, the function classification could be *Operations*, *Maintenance*, or *General Administration*. Please identify these expenses in the PTMS comment field.

## NON-FINANCIAL OPERATING DATA

Please **do not** include any non-financial data that relates to 55004 Other Ineligible State CTF Contracts.

### Public Service

**610 Vehicle Hours.** Total hours used to operate all revenue vehicles (e.g., bus drivers' time behind the wheel, bus drivers' time doing pre-trip inspection, bus drivers' time driving deadhead miles). For all practical purposes, 610 Vehicle Hours should equate to driver hours.

**611 Vehicle Miles.** Total miles traveled by revenue vehicles including deadhead miles.

**615 Passengers - Regular.** All passengers except those described in 616 - Elderly, 617 - Persons with Disabilities, and 618 - Elderly Persons with Disabilities.

**616 Passengers - Elderly.** Number of passengers 65 years of age or older. The age limit defining "elderly" may be lower under local option.

**617 Passengers - Persons with Disabilities.** Number of passengers not defined as 616 - Elderly and who have a physical or mental impairment that substantially limits one or more of the major life activities of the individual, a record of such an impairment, or being regarded as having such an impairment.

**618 Passengers - Elderly Persons with Disabilities.** Number of passengers who meet the definition of both 616 - Elderly and 617 - Persons with Disabilities.

**621 Total Line-Haul Passengers.** Total number of passengers picked up at designated bus stops.

**622 Total Demand-Response Passengers.** Total number of passengers that received door-to-door service.

Code 620 Total Passengers is computer-generated by adding the number of passengers reported in 615 - Regular, 616 - Elderly, 617 - Persons with Disabilities, and 618 - Elderly Persons with Disabilities. Code 620 must also be the sum of 621 Total Line-Haul Passengers and 622 Total Demand-Response Passengers.



For Example, assume a transit agency transported 144 passengers during the fiscal year. Code 620 must add to 144.

	LH Passengers	DR Passengers	Total	
Regular	120	0	<b>120</b>	← 615 Regular
Elderly	4	10	<b>14</b>	← 616 Elderly
w/ Disabilities	0	6	<b>6</b>	← 617 w Disabilities
Elderly w/ Disabilities	<u>1</u>	<u>3</u>	<u><b>4</b></u>	← 618 Elderly w/ Disab
Total	<b>125</b>	<b>19</b>	<b>144</b>	← 620 Total
	<b>621 Line-Haul</b>	<b>622 Demand-Response</b>		

**625 Days Operated.** Number of days revenue vehicles are available for service.

### Vehicle Information

Revenue vehicles include buses, rapid transit vehicles, railroad cars, water vehicles, taxicabs, and other types of public transportation vehicles, but do not include such vehicles as administration or parts running vehicles.

**653 Total Line-Haul Vehicles.** The actual physical count of all revenue vehicles used primarily for line-haul service.

**654 Line-Haul Vehicles with Lifts.** The number of line-haul vehicles included in the 653 count that is equipped with a lift or a ramp.

**655 Total Demand-Response Vehicles.** The actual physical count of all revenue vehicles used primarily for demand-response service.

**656 Demand-Response Vehicles with Lifts.** The number of demand-response vehicles included in the 655 count that is equipped with a lift or a ramp.

**658 Total Transit Vehicles** is computer-generated by adding the number of vehicles reported in 653 Total Line-Haul Vehicles and 655 Total Demand-Response Vehicles. The total transit vehicles in this code will equal the vehicles from 653 Total Line-Haul Vehicles and 655 Total Demand-Response Vehicles.

For Example, assume a transit agency has 10 line-haul buses of which 5 are equipped with lifts/ramps and 5 demand-response buses of which all are equipped with lifts/ramps. Code 658 will be computer generated and will equal 15.

	<u>with</u> lifts/ramps		w/o lifts/ramps	Total	
LH Vehicles	<u>5</u>	←654 LH w/ Lifts	5	10	←653 Total LH Vehicles
DR Vehicles	<u>5</u>	←656 DR w/ Lifts	<u>0</u>	5	←655 Total DR Vehicles
Total	10		5	15	←658 Total Transit Vehicles

### Miscellaneous

**601 Number of Routes (Line-Haul Only).** Total number of routes operated by a transit agency.

**602 Total Route Miles (Line-Haul Only).** Total round-trip miles of each of the routes in 601, excluding deadhead miles.

**630 Charter Service Hours.** Total vehicle hours used to provide charter service, including deadhead hours.

**631 Charter Service Miles.** Total vehicle miles used to provide charter service, including both the miles under contract and deadhead miles.

**634 Other Service Hours.** Total hours of service other than those described in 610 Vehicle Hours and 630 Charter Service Hours. Please explain the service provided in the PTMS comment field.

**635 Other Service Miles.** Total miles associated with 634 Other Service Hours and all miles other than those described in 611 Vehicle Miles and 631 Charter Service Miles.

**659 LPG (propane) or CNG (compressed natural gas) Consumed.**

**660 Fuel - Gallons Consumed.**

**661 Total Transit Agency Employees** (full time equivalent (“FTE”)). All staff (e.g. transit manager, bookkeeper, bus drivers). A FTE is determined by dividing all employee hours worked (including contract employees’ hours worked) by 2080 hours (round to the nearest whole employee). Do not count transit board members.

**662 Total Revenue Vehicle Operators (FTE).** Drivers and other transit agency employees who perform driver type duties (e.g. completing pre-trip inspections). These employees are also included in 661. A FTE equals total driver hours (including contract driver hours) worked divided by 2080 hours (round to the nearest whole employee).

For example, assume a transit agency has 30 employees of which 14 are drivers.

All employees except drivers	16	
Drivers	<u>14</u>	←662 Total Revenue Vehicle
Operators	30	←661 Total Transit Agency Employees

**663 Number of Accidents.** Total collision, noncollision, and station accidents in which a fatality, personal injury, or property damage results. This information is based on the transit agency’s accident/incident reports, not on claims filed. Robberies, assaults, and other crimes or misdemeanors should not be included in the number of accidents.

**OAR: Financials**

**Revenues:** See Pages 2 thru 7 of the Revenue and Expense manual for a detailed description.

Code	Description	Amount	Comments
40100	Passenger Fares		
40200	Contract Fares		
40400	Package Delivery/ "Meals on Wheels"		
40500	Charter Service		
40610	Concessions		
40615	Advertising		
40620	Intercity Ticket Sales		
40699	Other Auxiliary Transportation Revenues (Explain in comment field)		
40710	Sales of Maintenance Services		
40715	Rental of Revenue Vehicles		
40720	Rental of Buildings or Other Property		
40725	Parking Lot Revenue		
40799	Other NonTransportation Revenue (Explain in comment field)		
40800	Taxes Levied Directly for/by Transit Agent		
40910	Local General Operating Assistance		
40920	Single Business Tax		
40999	Other Local Contracts & Reimburse (Explain in comment field)		
41101	Local Bus Operating		
41199	Other State Contracts & Reimbursements (Explain in comment field)		
41301	Federal Section 5311 (operating funds only)		
41302	Federal Section 5307 (operating funds only)		
41398	RTAP		
41399	Other Federal Contracts & Reimburse (Explain in comment field)		
41511	Preventive Maintenance (FSL)		
41512	Capital Cost of Contracting (FSL)		
41513	Capital Contract Reimbursement for Administrative Expenses (FSL)		
41514	Other Capital Contract Reimbursement for Operating Expenses (FSL)		
41599	Other FSL (Explain in comment Field)		
41400	Interest Income		
43000	Contributed Services		

Change in description of existing code

New code

The following codes are inactive:

- 40300** School Bus Service Revenues
- 40915** Local Special Demo. Proj. Assistance
- 41105** State Planning (see code 41599)
- 41106** State Marketing
- 41111** Preventive Maint. (20% State Share) (see code 41511)
- 41311** Preventive Maint. (80% Fed. Share) (see code 41511)
- 41397** Federal Planning (see code 41599)

**Expenses:** See Pages 8 thru 16 of the Revenue and Expense manual for a detailed description.

Code	Description	Function:			
		Operations	Maint.	Gen. Admin.	Comments
50101	Operators' Salaries & Wages				
50102	Other Salaries & Wages				
50103	Dispatcher's Salaries & Wages				
50201	Pensions				
50200	Other Fringe Benefits				
50302	Advertising Fees				
50305	Audit Cost				
50399	Other Services				
50401	Fuel & Lubricants				
50402	Tires & Tubes				
50404	Major Supplies (Please explain in comment field)				
50499	Other Materials & Supplies				
50500	Utilities				
50603	Liability Insurance				
50699	Other Insurance				
50700	Taxes and fees				
50800	Purchased Transportation Service				
50902	Travel, Meetings & Training				
50903	Association Dues & Subscriptions				
50907	Lobbying				
50999	Other Miscellaneous Expenses (Please explain in comment field)				
51101	Interest on Long-Term Debt				
51102	Interest on Short-Term Debt				
51103	Interest on State Advances				
51200	Leases & Rentals				
51300	Depreciation				

**Ineligible Expenses:** See Pages 17 thru 21 of the Revenue and Expense manual for a detailed description.

55007	Ineligible Depreciation				
55015	Ineligible Charter Expense				
56001	Ineligible Expenses Associated w/Sale of Maintenance Service				
56002	Ineligible Expenses Associated w/Advertising Fees				
56003	Ineligible Expenses Associated w/Intercity Ticket Sales				
56004	Ineligible Expenses Associated w/Rentals				
55010	Other Ineligible Expense Associated w/Aux. & Nontrans				
55005	Ineligible Local Contracts (Explain in comment field)				
55004	Other Ineligible State CTF Contracts				
57402	Ineligible RTAP				
55003	Other Ineligible Federal Contracts				
55011	Ineligible Preventive Maintenance (FSL)				
57602	Ineligible Capital Cost of Contracting (FSL)				
57603	Ineligible Administrative Expense Paid by Capital Contract (FSL)				
57604	Other Ineligible Operating Expense Paid by Capital Contract (FSL)				
57099	Other Ineligible (FSL)				
58002	Ineligible Interest on State Advances				
55006	Other Ineligible Interest Expense				
55009	Ineligible Percent of Association Dues				
58005	Ineligible Lobbying Expense				
58007	Ineligible Pension Expense				
55008	Other Ineligible Expenses				

The following codes are inactive:

**51205** Leased buses

	Change in description of existing code
	New code

**Non-Financial Operating Data:** See Pages 22 thru 25 of the Revenue and Expense manual for a detailed description.

<b>Public Service</b>				
<b>Code</b>	<b>Description</b>	<b>Weekday</b>	<b>Saturday</b>	<b>Sunday</b>
<b>610</b>	Vehicle Hours			
<b>611</b>	Vehicle Miles			
<b>615</b>	Passengers - Regular			
<b>616</b>	Passengers - Elderly			
<b>617</b>	Passengers - Persons w/Disabilities			
<b>618</b>	Passengers - Elderly Persons w/Disabilities			
<b>621</b>	Total Line-Haul Pasengers			
<b>622</b>	Total Demand-Response Passengers			
<b>625</b>	Days Operated			

<b>Vehicle Information</b>	
<b>653</b>	Total Line-Haul Vehicles
<b>654</b>	Line-Haul Vehicle w/Lifts
<b>655</b>	Total Demand-Response Vehicles
<b>656</b>	Demand-Response Vehicle w/Lifts

<b>Miscellaneous</b>	
<b>601</b>	Number of Routes (Line Haul Only)
<b>602</b>	Total Route Miles (Line Haul Only)
<b>630</b>	Charter Service Hours
<b>631</b>	Charter Service Miles
<b>634</b>	Other Service Hours (Explain in comment field)
<b>635</b>	Other Service Miles
<b>659</b>	LPG (propane) or CNG (compressed natural gas) Consumed
<b>660</b>	Fuel - Gallons Consumed
<b>661</b>	Total Transit Agency Employees (Full-Time Equiv)
<b>662</b>	Total Revenue Vehicle Operators (Full-Time Equiv)
<b>663</b>	Number of Accidents

**The following codes are inactive:**

- 632** School Bus Service Hours
- 633** School Bus Service Miles
- 664** Number of Road Calls (ie. Vehicle Breakdowns)

	Change in description of existing code
	New code